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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 002088

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SUBJECT: SCENESETTER FOR U/S BURNS'S VISIT TO INDIA

Classified By: Ambassador Timothy J. Roemer for reasons 1.4 (B,D)

11. (SBU) Under Secretary Burns:

Mission India warmly welcomes you back to New Delhi as we begin the final stages of preparation for Prime Minister Singh's November 22-26 visit to Washington. Since the Secretary's July visit, the Embassy has been hard at work with our counterparts in Washington and in the Indian government to ensure the PM visit strengthens and deepens the bilateral strategic partnership according to the Administration's priorities. During your meetings, we hope to focus the Indian government on the major deliverables for the PM's visit and outline an implementation strategy for the next six weeks. The MEA shares our sense of urgency and has proposed that both sides finalize the list of deliverables during your visit, with the goal of reaching closure and commencing drafting of a joint statement by October 31.

Strategic Dialogue Deliverables

12. (SBU) We have made progress across all five pillars and 18 sub-dialogues of the U.S.-India Strategic Dialogue. Working with colleagues in Washington and the GOI, the Embassy has identified one major deliverable from each of the five pillars that will further the Administration's vision of a broader bilateral partnership. Our proposed deliverables include:

- Strategic Cooperation: Law Enforcement and Security Cooperation Initiative (aka: Counterterrorism MOU);
- Energy and Climate Change: Green Technology/Green Investment/Green Revolution;
- Education and Development: Obama-Singh Education Fund;
- Economics, Trade, and Agriculture: next gathering of the CEO Forum; and
- Science, Technology, Health and Innovation: Global Disease Detection (GDD) Center.

13. (SBU) The status of the major deliverables is as follows:

- Law Enforcement and Security Cooperation Initiative: The Embassy shared the draft Initiative with SCA and S/CT on October 6. The initial response has been positive and we look forward to receiving more substantial input before sharing a draft text with the MEA.

- Obama-Singh Education Fund: The GOI shares our enthusiasm for a solid education deliverable and has already agreed to

increase its contribution to the Fulbright-Nehru program by USD 1 million to match an increase in U.S. funding. Additionally, the proposed Obama-Singh Education Fund has been well-received by the MEA, which is prepared to seek funding for the program once we confirm our resource availability. SCA is currently working to secure USD 5 million from OES from the PL480 rupee funds for the Obama-Singh Education Fund.

-- CEO Forum: Selection of the next CEO Forum is well underway. The Indian participants have already been selected. An interagency review of U.S. applicants has begun and we expect to reach a decision on the U.S. participants by mid-October. The NSC plans to hold the next CEO Forum on November 23 during the PM's visit.

-- GDD Center: The Department of Health and Human Services (HHS) is reviewing the GDD Center agreement. The GOI is awaiting the green light from HHS before proceeding with its internal clearance process. We support HHS's proposal for PM Singh to sign the GDD agreement and formally launch the Health Dialogue during a visit to the campus of National Institutes of Health, where over 300 Indian scientists are conducting research.

Focus on the Green Initiative

¶4. (SBU) We envisage the signature deliverable of the visit to be the "Green Initiative," which furthers the Strategic Dialogue's objective of supporting Indian efforts to become a

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model of sustainable growth for the 21st Century. The Green Initiative would focus on clean and renewable energy and food security, identified by both governments as top priorities. The Green Initiative's focus on clean and renewable energy is a logical progression from the U.S.-India Civil Nuclear Cooperation Agreement and accelerates both countries' economic recoveries. Clean energy components could include the creation of a Clean Energy Research, Development, and Deployment Center; the Indo-U.S. Partnership on Indoor Air Pollution/Improved Cook Stoves; several trade missions coordinated by USAID and Commerce; and an MOU on Energy and Climate Change (Note: we are reviewing the Indian draft presented to Energy Secretary Chu on September 11. End note.). The food security focus would help India meet the challenges of feeding its growing population while adapting to climate change by improving productivity and promoting conservation practices. Food security components include a Food Security Partnership Agreement and increased collaboration between universities on applied research for high-yield crops. A key part of the Green Initiative is a proposed Green Technology Fund of up to USD 100 million to finance new technology and innovation projects. Embassy New Delhi is exploring potential funding sources for the USG contribution of USD 25 million to the fund.

Other Dialogue Updates

¶5. (SBU) While we recommend focusing your meetings on the major deliverables for November, noteworthy progress has been made on many of the other sub-dialogues. Regarding the Strategic Cooperation Pillar, the GOI agreed that the Strategic Security Dialogue should be held in New Delhi before the PM Visit, with Under Secretary Ellen Tauscher leading the U.S. delegation. The GOI is open to including a nonproliferation/disarmament element in a possible joint statement released during the PM visit, but requests more information on President Obama's Global Nuclear Partnership initiative. Under Secretary Maria Otero will lead the next Global Issues Forum with Foreign Secretary Rao in New Delhi on November 5. The Defense Policy Group will meet on November 5-6, but expects no major deliverables for the PM's visit. The Indian government remains interested in the

outcome of the ongoing USG review of export control policies with regard to India.

16. (SBU) In addition to the aforementioned Education and Development Pillar initiatives, we have discussed collaboration on basic education with Minister for Human Resources Development Kapil Sibal, including a conference promoting teaching among young Indians. Sibal, who you will meet with, will be visiting the United States in late October to meet with university leaders on teacher training, accreditation, community colleges, and proposed "innovation universities" in India. Also, Ambassador-at-Large for Global Women's Issues Melanne Verveer will visit India in early November to launch the Women's Empowerment Dialogue.

17. (SBU) Several of the Economic, Trade, and Agriculture Pillar sub-dialogues have been advanced by high-level visits over the last two months. Deputy NSA Michael Froman and Special Assistant to the President for International Economic Affairs David Lipton plan to travel to India from October 20-21 to advance work on the U.S.-India Economic Dialogue, the CEO Forum, Doha, Climate Change, and the energy partnership. U.S. Trade Representative Ron Kirk will return to Delhi in late October for the Trade Policy Forum (TPF), co-chaired with Minister of Commerce and Industry Anand Sharma. USTR has proposed that Kirk and Sharma announce their intentions to conclude a bilateral agreement at the TPF meeting, with the actual agreement signed during the PM's visit. Under Secretary Bob Hormats has underlined his full engagement with the Strategic Dialogue -- including the U.S.-India Economic Dialogue and the CEO Forum -- and hopes to visit India before the PM's visit to Washington.

Watch Out Fors: Indian Consulates and UNSC Seat

18. (SBU) Through regular contact with our GOI counterparts, we are generally on the same page regarding deliverables for

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the PM's visit, with the exception of two potential irritants: the opening of the Indian consulates in Atlanta and Seattle and the GOI's push for a permanent seat for India on the UN Security Council. During a September 2008 visit, PM Singh announced the opening of the two new Indian consulates. The MEA has stressed the PM's personal involvement in the issue and expressed its fear of embarrassment if the consulates were not operational by November. The GOI is still awaiting a response to a dip note from September 2008 on the issue, and has noted that it expedited clearances for our consulate in Hyderabad to open in time for President Bush's visit. Post believes that any decision to approve the GOI request should be conditioned directly upon guarantees by the GOI that our planned July 2010 opening of the New Consulate Compound in Mumbai will proceed unimpeded, including the deployment of a Marine Security Guard detachment. It cannot be opened until this issue is successfully resolved. Additionally, we should gain GOI assent to a bilateral agreement acknowledging the tax exempt status of all official properties held by either government in the host country and resolution of ongoing operational problems Post has experienced over the last six years with the movement of diplomatic pouches within and from India.

19. (SBU) After Special Envoy Shyam Saran raised the issue of a permanent UN Security Council seat for India with you on September 16, MEA has floated informally the issue as the "historic deliverable that both sides are looking for." Given that four of the five permanent members have already signaled support for India's aspirations, GOI officials, such as Minister of State for External Affairs Shashi Tharoor, have argued that Security Council reform rests with the USG -- willfully ignoring the total lack of consensus among UN member states on the issue. MEA has suggested that the issue may be raised during your meetings in Delhi.

Civil Nuclear Update

¶10. (SBU) The Indian government is on track to complete or make substantial progress on its Civil Nuclear Cooperation Initiative commitments ahead of the Prime Minister's visit to Washington, though some important hurdles remain. The latest positive step is India's recent submission of its declaration of safeguarded facilities to the IAEA. Narayanan confirmed that the cabinet had approved the two reactor park sites for U.S. firms, but had no plan to make a public announcement. The second session of reprocessing consultations was scheduled for October 8-9 in Vienna, which may determine whether an initialed text could be announced during the Singh visit. India may also use the Vienna consultations to respond to our request for Part 810 license assurances, a top priority of U.S. industry that has been outstanding since April. The government plans to introduce liability legislation when Parliament reconvenes in late November, ruling out its enactment prior to the PM's visit. U.S. businesses are now running significantly behind their competitors from Russia and France.

Domestic Politics

¶11. (C) The strong performance by the Congress Party and its United Progressive Alliance (UPA) allies in India's national elections has provided the Congress Party with a mandate to govern, after years of battling communists and regional coalition "partners" over issues including a closer relationship with the United States. Despite the strong endorsement by the electorate and a floundering opposition, the UPA government has gotten off the blocks somewhat slowly. The honeymoon period was cut short when fallout over a joint statement that came out of Singh's July 16 Sharm el-Sheikh meeting with Pakistani PM Gilani proved a headache for his government and an opportunity for Singh's political opponents. Even more significantly, Singh's position at Sharm met with significant dissent from within his own ruling coalition, including heavyweights like Finance Minister Mukherjee. The opposition BJP seized upon the Sharm el-Sheikh issue, looking to rebound from the party's poor showing in the national elections. This move

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won temporary political points for the BJP, but the party's steady summer implosion involving vicious factionalism and the high-profile expulsion of former party leader Jaswant Singh facilitated the UPA government's rebound from Sharm. The Congress party appears well-positioned for upcoming state elections in Haryana and Maharashtra October 13. The UPA government has also moved much slower than was hoped on long-awaited financial sector liberalization, including insurance, banking and pension bills that did not get introduced as expected during the last session of Parliament that ended in August. There is still optimism that there may be progress at least on the insurance and banking bills in the November-December session. Minister for Human Resources Development Kapil Sibal remains committed to education reform, including legislation permitting the entry of foreign educational providers into the Indian market.

Indian Views on Pakistan and Afghanistan

¶12. (C) Pursuant to a July agreement between the Indian and Pakistani Prime Ministers, top diplomats from both countries met on the sidelines of UNGA last month. The Indians report that while the tone was constructive, the talks failed to break any new ground and that they are waiting for Pakistan to demonstrate good faith in acting against terror directed at India before agreeing to re-engage in a "Composite Dialogue" that was suspended after the Mumbai attacks last November. GOI officials have been reluctant to spell out

concrete measures that would constitute Pakistani good faith, though they are clearly looking for the arrest, conviction, and incarceration of Lashkar-e-Taiba supremo Hafez Saeed for the Mumbai attacks, a dismantlement of Lashkar-e-Taiba infrastructure, and a halt in cross-border infiltration. GOI must also factor lingering public and political class anger over Mumbai into its Composite Dialogue resumption calculus, as most observers believed PM Singh strayed too far out in front of the public and his own coalition by agreeing to the July accord with his Pakistani counterpart. The prevailing Indian assumption is that Pakistan lurks behind the October 8 bombing of the Indian Embassy in Kabul, and this perception will give the GOI less room to move forward in resuming the Composite Dialogue. You can also expect questions from your GOI interlocutors, particularly NSA Narayanan, on U.S. assistance to Pakistan and how this might be diverted against India.

¶13. (C) The October Indian Embassy bombing has prompted India to reaffirm its commitment to rebuilding Afghanistan. India points with pride to its ongoing "development partnership" with post-Taliban Afghanistan that began in late 2001, with pledged GOI assistance to date totaling some USD 1.3 billion. The bulk of the aid is channeled directly through the Afghan government, and includes military and police assistance. India has refrained from public comment on the outcome of Afghanistan's elections, though it is clear that the GOI has a good rapport with Hamid Karzai and his rival Abdullah Abdullah.

Your Meetings

¶14. (SBU) The Indian government is eager to receive you and finalize plans and deliverables for the November visit. The MEA Americas has told us that most if not all of the senior officials we have requested will be available to meet with you: External Affairs Minister Krishna, National Security Advisor Narayanan, Deputy Planning Commissioner Montek Singh Ahluwalia, Foreign Secretary Rao, Human Resources Development Minister Sibal, and Health Minister Azad.
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